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- BOOK CABLE 4
- PRESIDENT FORD ANNOUNCED ON 22 APRIL 1976 THAT HE IS NOMINATING E. HENRY KNOCHE AS REPLACEMENT FOR LT. GEN. VERNON WALTERS'. MR. KNOCHE, FORMER ASSOCIATE DEPUTY TO THE DCI FOR THE INTELLIGENCE COMMUNITY, IS A CAREER CIA OFFICIAL WHO SERVED AS ACTING DEPUTY TO THE DCI FOR THE IC PRIOR TO THE APPOINTMENT OF VICE ADMIRAL DANIEL MURPHY AS D/DCI/IC ON 29 MARCH 1976. Y
- GHENERAL WALTERS WILL CONTINUE IN OFFICE UNTIL MR. KNOCHE'S APPOINTMENT IS CONFIRMED BY THE SENATE. EZ IMPDET.A

|            | -     |     |       |         |       |   |
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|            | DATE: | 55  | APRI  | 197     | Ŀ     |   |
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| OUTGOING MESSAGE   4   7  |        |
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| - SIGNAL CENTER USE ONLY  | PAGES  |
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| S E C R E T   | ;      |
| MESSAGE HANDLING INDICATOR DATE-TIME GROUP CITE MESSAGE REFERENCE NUMBE  RESTRICTED HANDLING 2223,47 HEADQUARTERS | .R     |
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| RESTRICTED HANDLING   | ļ      |
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| 70: T   | 1      |
| 25X1  |        |
| 25X1  |        |
| FOR GENERAL WALTERS FROM 4  |        |
| 1. PRESS SERVICE TI∰CKERS CONTINUE SOME MISLEADING AND  |        |
|   |        |
| DISTORMED COMMENT ON ANNOUNCEMENT OF YOUR IMPENDING DEPARTURE   |        |
| EMOSTLY WATERGATE INNUENDO) DISPITE EFFORTS OF OUR PRESS OFFICE   | Ì      |
| TO SET RECORD STRAIGHT. ACTUAL PLAY IN NEWSPAPERS AND ON TV NOT   |        |
| YET AVAILABLE. 4  |        |
| 2. MR. BUSH HAS AUTHORIZED FOLLOWING STATEMENT BE ISSUED  |        |
| FOR PURPOSE OFFSETTING WIRE SERVICE DISTORTIONS. 4  |        |
| ▼GENERAL WALTERS HAD EXPRESSED TO ME AND THE PRESIDENT  |        |
| LAST JANUARY HIS INTENTION OF RETIRING AFTER 35 YEARS OF  |        |
| MILITARY SERVICE. HE SUBMITTED AN BOUNDATED RESIGNATION   |        |
| IN ORDER TO PROVIDE ME TIME TO SEE OUT A SUCCESSOR AND TO   |        |
|   | į<br>! |
| CARRY OUT THE REORGANIZATION OF THE CENTRAL INTELLIGENCE  |        |
| AGENCY AND THE INTELLIGENCE COMMUNITY AS DIRECTED BY  | :      |
| PRESIDENT FORD. THIS PROCESS IS NOW WELL ALONG, AND GENERAL   |        |

DATE: ORIG:

UNIT:

EXT:

RELEASING OFFICER

COORDINATING OFFICERS

WALTERS PLANS TO LEAVE IN JUNE. GENERAL WALTERS HAS

AUTHENTICATING OFFICER

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

E 2 IMPDET

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| 5                  |           |                |                   |               |              |                     |        | 300 ·   |           | 7                | ROUTING BOOK                          | 32 × 0          |            |
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| MESSAGE HANDLING   | INDICATOR |                |                   | DATE-TIME GF  | ROUP         |                     |        | С       | ITE       |                  | MESSAGE R                             | EFERE           | NCE NUMBER |

RESTRICTED HANDLING HEADQUARTERS

## RESTRICTED HANDLING

SERVED THE INTELLIGENCE COMMUNITY AND THE CENTRAL INTELLIGENCE AGENCY WITH EXTREME DISTINCTION. HE HAS BEEN AWARDED THE DISTINGUISHED INTELLIGENCE MEDAL IN RECOGNITION OF HIS OUTSTANDING PERFORMANCE AND DEVOTION TO DUTY OVER MANY YEARS. WE REGERET HIS DEPARTURE AND WILL MISS HIS WISE COUNSEL. GOOD HUMOR, AND UNIQUE ABILITY TO DEAL WITH PEOPLE. ALL OF US AT CIA AND IN THE INTELLIGENCE COMMUNITY HOLD HIM IN HIGHEST REGARD. "Y

25X1

FOLLOWING LETTER TO GO OUT OVER YOUR SIGNATURE COMPOSED AT REQUEST OF YOUR SISTER AND FORWARDED HEREWITH FOR YOUR

DATE: ORIG: UNIT: EXT:

RELEASING OFFICER

CLASSIFICATION

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E 2 IMPDET CL BY:

OUTGOING MESSAGE
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CLASSIFICATION

SECRET

MESSAGE HANDLING

DATE-TIME GROUP

CITE
MESSAGE REFERENCE NUMBER

HEADQUARTERS

## RESTRICTED HANDLING

APPROVAL PRIOR TO RELEASE: TO H. STERN N.Y. Y

AND DIAMOND BROOCH WHICH I PURCHASED IN YOUR RIO STORE SOME
TIME AGO. IT IS A FRAGILE ITEM WHICH HAS BEEN WORN ONLY A
FEW TIMES. IN VIEW OF THE FACT THAT IT IS ONE OF YOUR
PRODUCTS AND GIVEN THE REPUTATION OF YOUR CRAFTSMANSHIP.

I FIND THE ESTIMATED COST OF REPAIRING IT TO BE EXCESSIVE.
IS STERN'S WORKMANSHIP NOT GUARANTEED? PLEASE LET ME KNOW!
IF THIS ESTIMATE CAN BE BEEN REVISED DOWNWARD. "Y

YOUR CAR RETRIEVED AND GARAGED AT YOUR QUARTERS. EZ IMPDET.H

DATE: 22 APR 7L
ORIG: EA/DDCI
UNIT: ODCI
EXT:

EA/DDCI

COORDINATING OFFICERS

AUTHENTICATING OFFICER

CLASSIFICATION

REPRODUCTION BY OTHER THAN THE ISSUING OFFICE IS PROHIBITED

E 2 IMPDET

SECRET

CL BY: 059265

OUTGOING Approved For Release 2003/04/22: CIA-RDP80R01731R002000080004-2. PAGE RHM 0 ŀ ŀ SECRET MESSAGE HANDLING INDICATOR RESTRICTED HANDLING HEADQUARTERS 2216592 RESTRICTED HANDLING TO: IMMEDIATE NIACT FOR GENERAL WALTERS FROM PRESS CARRIED UNITED WHITE HOUSE ISSUED FOLLOWING ANNOUNCEMENT TODAY AT 1056 HOURS EST. "BEPRESIDENT FORD ANNOUNCED TODAY THAT LT. GEN. VERNON WALTERS, A LONGTIME FRIEND OF FORMER PRESIDENT RICHARD NIXON AND A KEY WATERGATE WITNESS, IS QUITTING AS DEPUTY DIRECTOR OF THE CIA. FORD SAID AT THE SAME TIME THAT HE! WAS NOMINATING E. HENRY KNOCHE, A CAREER CENTRAL INTELLIGENCE AGENCY OFFICIAL, AS REPLEACEMENT FOR WALTERS." 4 MR. BUSH WAS CONCERNED TO COUNTER THE PRESSARESERE AND IMMEDIATELY EMPHASIZED TO THE WHITE HOUSE PEOPLE DEALING WITH THE PRESS THAT YOU HAD ANNOUNCED PLANS TO RETIRE FROM THE ARMY ON 30 JUNE, THAT YOU WOULD, THEREFORE, BE RESIGNING FROM THE AGENCY, THAT THERE HAD BEEN A COMPLETELY AMICABLE UNDERSTANDING ON THE MATTER FROM THE BEGINNING, THAT YOU HAD BEEN FULLY COOPERA-TIVE AND WERE IN NO WAY DEPARTING UNDER PRESSURE. E2 IMPDET.H DATE: 22 APRIL 76

CLASSIFICATION

**AUTHENTICATING OFFICER** 

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E 2 IMPDET CL BY: 059265

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| 1<br><b>Ø</b> | CITE   |   |
| 1 <b>0</b>    | TO: IMMEDIATE HEADQUARTERS.  |   |
| 0             | REF: HEADQUARTERS Ø46Ø   |   |
| 1             | FOR FROM GENERAL WALTERS   |   |
| 0             | 1. FOR BACKGROUND, IT MIGHT BE USEFUL TO POINT OUT   |   |
| 0             | THAT WHERE I WAS APPOINTED DDCI BY PRESIDENT NIXON, I WAS  |   |
| •             | PROMOTED TO BOTH BRIGADIER AND MAJOR GENERAL BY PRESIDENT LYNDON JOHNSON. I WAS ALSO FIRST MILITARY INTELLIGENCE |   |
|               | y  |   |
| 0             | WISE, I WILL HAVE COMPLETED FOUR YEARS AS DDCI ON MAY 2ND.   |   |
| 0             | DISTORTIONS WERE TO BE EXPECTED AND I AM GRATEFUL FOR  |   |
| 0             | DIRECTOR'S STATEMENT.  |   |
| •             | 2. RE REF PARA 4: SEND LETTER. THANKS. E2 IMPDET.  |   |
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HANDLING

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OUTGOING MESSAGE
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## **RESTRICTED HANDLING**

| <u> </u>  |              |
|---|--------------|
| 25X1 TO: PRIORITY   |              |
| 25X1FOR GENERAL WALTERS FROM                                  |              |
| 1. DIRECTOR ANNOUNCED MORNING 26 APRIL THAT BILL NELSO        | N            |
| PLANS TO RETIRE EFFECTIVE 15 MAY. BILL WELLS WILL BE DDO.     |              |
| ESTABLISHMENT OF CHIEF OF STATION POSITION WILL BE DEFERRED F | FOR          |
| 90 DAYS PENDING EVALUATION OF EXPERIENCE BY NEW MANAGEMENT TE | EAM - Y      |
| 2. PRESS COMMENT ON ANNOUNCEMENT OF YOUR RETIREMENT HA        | <b>1 2 /</b> |
| ALL BUT DISAPPEARED. WASHINGTON POST, NEW YORK TIMES AND LO   | Z            |
| ANGELES TIMES OF 23 APRIL ALL GAVE UNCHARACTERISTICALLY BALAN | NCED         |
| IF SLIGHTLY BACKHANDED TREATMENT. RON NESSEN IS QUOTED AS SA  | AYING        |
| THAT PRESIDENT FORD "HAS A VERY HIGH REGARD" FOR WALTERS AND  | THE          |
| WORK HE HAS DONE. "WALTERS HAS OFFERED TO SERVE IN ANY OTHER  | !            |
| CAPACITY AT THE PRESIDENT; S REQUEST AND PRESIDENT FORD IS    | i            |
| CONSIDERING THE OFFER," NESSEN SAID. E2 IMPDET.H              | !            |
|   | !            |
|   | -            |
|   | i<br>:       |
| 25X1  | ÷            |
| DATE: 26 APRIL 76   |              |
| GRIG: EA/DDCI   |              |
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RELEASING OFFICER

COORDINATING OFFICERS

AUTHENTICATING OFFICER

CLASSIFICATION

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S E C R E T 271525Z APR 76 RESTRICTED HANDLING

CITE

TO: HEADQUARTERS.

RYBAT

TO DDCI OFFICE FOR

- 1. WOULD APPRECIATE YOUR SENDING ME LIST OF MY COMMIT-MENTS OF ALL SORTS FOR MAY AND JUNE.
- 2. JUST AS A MATTER OF INTEREST, I DO NOT RECALL "HAVING OFFERED TO SERVE IN ANY OTHER CAPACITY" AS QUOTED BY NESSEN. NO ACTION ON THIS REQUIRED. E2, IMPDET, WN-SISM.